

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) to (c) After China suspended military-to-military level exchanges with India following our nuclear blasts in Pokhran in May, 1998, such exchanges have been resumed from May, 2000. These exchanges are part of the existing Confidence Building Measures and have contributed to the improvement of bilateral relations between the two countries.

These military-to-military exchanges are in the nature of goodwill visits and no formal discussions are usually held during such visits to resolve outstanding issues between the two countries. The Joint Working Groups/Expert Groups of the two countries hold regular discussions through diplomatic channels to resolve outstanding issues.

#### **Middlemen in Arms Procurement**

4429. SHRI NILOTPAL BASU: Will the Minister of DEFENCE be pleased to state:

- (a) whether it is a fact that Government's policy of arms procurement does not allow any middleman or middle company;
- (b) if so, whether it is also a fact that Tehelka tapes refer to companies like Crown Corporation functioning in India;
- (c) whether the same companies were also referred to in the affidavit filed by Admiral Bhagwat;
- (d) if so, whether Government have investigated into the activities of these companies; and
- (e) if so, the outcome thereof and if not, the reasons therefor?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) Yes, Sir.

- (b) Yes, Sir.
- (c) The affidavit of Admiral Bhagwat refers to a Crown Corporation.
- (d) and (e) The Government have appointed Commission of Inquiry to probe into all allegations made by Tehelka.com. This Commission is yet to conclude its work.